

ORIGINAL

OPEN MEETING AGENDA ITEM

E-20690A-09-0346



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Antonio Gill

From: Lynch, Mary [Mary.Lynch@constellation.com]
Sent: Tuesday, June 29, 2010 10:12 AM
To: Antonio Gill
Cc: Morrison, Andrea; Marcie.Milner@shell.com
Subject: Comments on E-20690A-09-0346
Attachments: CommentstoACC 6-25-10 final.doc

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2010 JUN 29 P 2:02

AZ CORP COMMISSION
DOCKET CONTROL

Dear Mr. Gill,

Thank you so much for your guidance in submitting these brief comments to the Arizona Corporation Commission in the above referenced matter. We very appreciate your offer to deliver this letter to the Commissioners and to the Docket Control Office.

If there is anything further that you need from us, please let me know. We look forward to working with you in the future on retail choice and renewable energy issues.

Many thanks again for assistance.

Mary Lynch
Vice President, Regulatory and Legislative Affairs, West Region
Constellation Energy
916 606 0783

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Arizona Corporation Commission
DOCKETED

JUN 29 2010

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BEFORE THE ARIZONA CORPORATION COMMISSION

To: Commissioner Gary Pierce and Commissioner, Kristin K. Mayes, Chairman

Copy to:

Commissioner Paul Newman
Commissioner Sandra D. Kennedy
Commissioner Bob Stump

Date: June 28, 2010

IN THE MATTER OF SOLAR CITY'S APPLICATION FOR
DETERMINATION OF NON-PUBLIC CORPORATION STATUS

Docket No. E-20690A-09-0346

COMMENTS OF Direct Energy, LLC, Constellation NewEnergy, Inc., and Shell Energy North American (US), LP

The above named parties, Direct Energy, LLC, Constellation NewEnergy, Inc., and Shell Energy North America (US), LP are submitting this letter to you, Chariman Kristin Mayes and Commissioner Pierce, in support of your amendments to the May 28, 2010 Decision of Judge Rodda in the above referenced docket.

We agree with you that subjecting SolarCity's distributed solar installations to public service corporation regulation is unnecessary for consumer protection and will impede deployment of solar installations in Arizona. Moreover, such regulation of this nascent market will seriously impede competition within this sector, competition that will keep downward pressure on the price of solar resources to the benefit of all Arizona electricity consumers. Ultimately, such regulation will undermine Arizona's efforts for environmental improvement and compromise the deployment of Arizona's abundant solar resource to the benefit of the Arizona economy. Neither outcome is good for Arizona. Therefore we urge adoption by the full Arizona Corporation Commission ("ACC") of a decision that does not subject SolarCity to public service corporation regulations.

Your amendments carefully distinguish the solar installation activities of SolarCity from activities that are focused on selling electricity as an alternative supply to utility service. However, in your

amendments, you and Commissioner Pierce have both recognized that Arizona electric consumers and the Arizona economy will benefit from competition in the solar installation industry. We also wish to take this opportunity to impress upon you and your colleagues on the ACC that that allowing customer to explore economic alternatives for energy could also pave the way for increased environmental improvements, as customers could use retail choice to achieve their company specific environmental goals. Comments that we have submitted previously on this topic can be found at:

- <http://images.edocket.azcc.gov/docketpdf/0000109841.pdf> (Comments filed on 4/2/2010)
- <http://images.edocket.azcc.gov/docketpdf/0000093265.pdf> (Comments filed on January 30, 2009)

Thank you for this opportunity to submit these comments.

Sincerely,

Mary Lynch
Vice President, Regulatory and Legislative Affairs
Constellation Energy
916 606 0783